

## **REQUIRED CLAUSES**

### **Sample clauses that could be used to satisfy termination clause and remedies clause**

#### **Termination for Convenience**

The school district reserves the right to terminate any contract at any time, in whole or in part, by thirty (30) day written notice to Contractor. Upon receipt by the Contractor of the "notice of termination", the Contractor shall discontinue all services with respect to the applicable contract. The School district, after deducting any amount(s) previously paid, shall pay for all services rendered or goods supplied by the Contractor, as well as any reasonable costs incurred by Contractor up to the time of termination but not including Contractor's loss of profit. The cost of any agreed upon services provided by the Contractor will be calculated at the agreed upon rate prior to "notice of termination" and a fixed fee contract will be pro-rated (as appropriate).

#### **Termination for Non-performance**

##### **Default**

The School district may terminate the resulting contract for non-performance, as determined by the School district, for such causes as:

- Failing to provide satisfactory quality of service, including, failure to maintain adequate personnel, whether arising from labor disputes, or otherwise any substantial change in ownership or proprietorship of the Contractor, which in the opinion of the School district is not in its best interest, or failure to comply with the terms of this contract;
- Failing to keep or perform, within the time period set forth herein, or violation of, any of the covenants, conditions, provisions or agreements herein contained;
- Adjudicating as a voluntarily bankrupt, making a transfer in fraud of its creditors, filing a petition under any section from time to time, or under any similar law or statute of the United States or any state thereof, or if an order for relief shall be entered against the Contractor in any proceeding filed by or against contractor thereunder. In the event of any such involuntary bankruptcy proceeding being instituted against the Contractor, the fact of such an involuntary petition being filed shall not be considered an event of default until sixty (60) days after filing of said petition in order that Contractor might during that sixty (60) day period have the opportunity to seek dismissal of the involuntary petition or otherwise cure said potential default; or
- Making a general assignment for the benefit of its creditors, or taking the benefit of any insolvency act, or if a permanent receiver or trustee in bankruptcy shall be appointed for the Contractor.

#### **Demand for Assurances**

In the event the School district has reason to believe Contractor will be unable to perform under the Contract, it may make a demand for reasonable assurances that Contractor will be able to timely perform all obligations under the Contract. If Contractor is unable to provide such adequate assurances, then such failure shall be an event of default and grounds for termination of the Contract.

#### **Notification**

The School district will provide ten (10) calendar days written notice of default. Unless arrangements are made to correct the non-performance issues to the school district's satisfaction within ten (10) calendar days, the School district may terminate the contract by giving forty-five (45) days notice, by registered or certified mail, of its intent to cancel this contract.

**Attorney's Fees:**

In the event that either party deems it necessary to take legal action to enforce any provision of the contract, and in the event the School district prevails, the Contractor agrees to pay all expenses of such action, including attorney's fees and costs at all stages of litigation.

**Compensable Damages for Breach:**

The Contractor agrees that the following items shall be included as compensable damages for any breach of a contract with the School district.

- Replacement costs.
- Cost of repeating the competitive bidding procedure expenses.
- Expenses incurred as the result of delay in obtaining replacements.

The enumeration of compensable damage contained in this section is not intended to be exclusive and will not operate to bar recovery by the School district for any other damages occasioned by the Contractor's breach of a contract. However, in cases where contract provides for liquidated damages, said liquidated damages shall be in lieu of all other damages, including those enumerated.